STATUS OF THE \$11.5 MILLION OF BONDING DOLLARS APROVED IN SF 376

\$3 million--Repair of damage caused to conservation practices such as terraces, grass waterways and basin control structures in 2008 and 2009 flood events not covered by a maintenance agreement. These dollars will be cost shared with landowners at a 75% cost-share rate. As of 12/31/09, 49 SWCD's requested and were approved for \$1.45 million. The remaining dollars will be used for the targeted watersheds program.



\$3.5 million--Flood reduction and assessment in targeted watersheds program will focus resources on reducing future flooding and

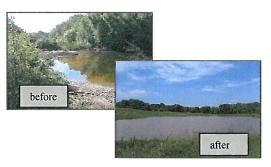
improving water quality in selected watersheds. 25 applications were received for projects totaling \$17.7 million and I-Jobs request

for \$8.6 million. The project reviewers selected 15 projects for I-Jobs funding totaling \$3.442 million. With the left over funds from the practice repair program, we may be able to fund several more projects.





\$500,000--Wetland mitigation banks. The Division of Soil Conservation (DSC) is partnering with the RC & D's to create high quality wetlands to replace wetlands lost due to alteration of the landscape due to construction projects or alternative drainage projects. Funds have been obligated via a 28E agreement.



\$500,000--AML (abandoned coal mine reclamation). These dollars will be paired with federal coal mine reclamation, conservation partner and private landowner dollars to begin reclamation of an abandoned 200 acre coal site in Marion County (the Goff site). These dollars will expedite the reclamation of a large priority site that poses environmental hazards to the watershed. The total estimated cost of reclaiming this site is \$4.5 million. The project has been completed

\$4 million--Conservation Reserve Enhancement Program (CREP)/Iowa Drainage & Wetlands Landscape Systems Initiative. These dollars will be matched with significant dollars from private landowners for the construction of integrated drainage and wetland landscape systems for water

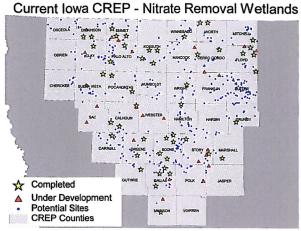
quality improvement, increased wetland function, wildlife habitat creation and increased agricultural activity. Funding has been approved for 6 pilot projects located in Clay, Pocahontas and Palo Alto Counties with a total project cost of \$11.3 million with an estimated completion date of December 2011.

These recommendations should result in a total investment of slightly over \$25 million in wetland mitigation and construction, conservation practice repair and flood prevention and reduction practices.



Iowa Conservation Reserve Enhancement Program (CREP)

The Iowa Conservation Reserve Enhancement Program (CREP) was initiated in 2000 and is a joint effort of the Iowa Department of Agriculture and Land Stewardship and the USDA Farm Service Agency to protect Iowa drinking water and reduce hypoxia in the Gulf of Mexico. It is a highly targeted water quality program focusing on the reduction of nitrate loads to surface waters through the construction of strategically located and designed wetlands that intercept tile-drainage water from upper-lying cropped lands.



- Research and monitoring by Iowa State University has shown that CREP wetlands will remove 40-90% of the nitrate in tile-drainage water.
- Wetlands constructed to date (51 sites) and those currently being designed (21 sites) are estimated to remove over 53,600 tons of nitrogen over design life. These wetlands will provide water quality protection for 86,100 acres of land.
- Over 400 potential sites exist for landowner consideration.
- Average lifetime nitrogen removal costs: \$0.23/lb removed, \$1.76/watershed acre treated
- Currently there is a growing waiting list of applicants that have requested state funding. The total state funds needed to meet these requests are almost \$4 million dollars.
- State funds are matched with Federal funds.
- FY12 appropriation request = \$3,000,000



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FYII appropriation	\$1,50	0,000
Balance 6/30/10 Brought Forward	\$5,12	0,167
Expenditures to Date	\$ 45	7,466
Obligated/Encumbered	\$6,16	2,701
Unobligated	\$	0

For further information, contact:

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Farm Demonstrations/Learning Farm

The Integrated Farm and Livestock Management demonstration program was initiated in 2000 as part of the Iowa Water Quality Initiative to demonstrate the adaptability and effectiveness of conservation systems with farming operations. New and emerging technologies are demonstrated on private farmland to refine management input to reduce erosion and soil loss, enhance soil quality, increase infiltration, reduce runoff and lessen nutrient and sediment loading to Iowa's water bodies. Resources and infrastructure are leveraged to provide extensive information delivery and exchange for other important issues such as row crop residue harvest for biofuels, cover crops and perennial living mulch, and nutrient transport from cropped landscapes.





• Iowa Learning Farm, coordinated by Iowa State University, is building a "Culture of Conservation" through a unique partnership of farmers, agencies, conservation groups, agribusiness, the research community, and the public that supports continuing change for improved water and soil quality in Iowa and the nation.





- Improved tillage and residue management field demonstrations with approximately 50 cooperators and conservationists in Iowa's five major soil associations allowed farmers to evaluate agronomic and economic information and share local wisdom.
- Water quality modeling has been coordinated on five cooperator farms to estimate pollutant load reductions.
- A strong statewide awareness campaign utilizing a farmerto-farmer, Iowan-to-Iowan grassroots approach included public events in nearly one-half of Iowa's counties in 2009.
- Education and outreach to thousands of individuals last year strengthened society's commitment to the conservation of natural resources to sustain our quality of life
- Iowa Soybean Association's agriculture and environment performance program has been allocated \$400,000 by legislative earmark.
- Funds leveraged with federal grants and other sources brings millions of additional dollars to Iowa.
- FY12 appropriation request = \$750,000

Fund Status:

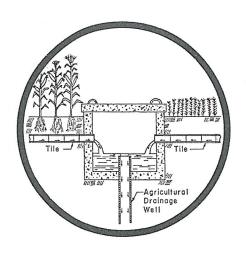
	FY11 Appropriation	\$	750,000
	Balance 6/30/10 Brought Forward	\$19	0,987.91
	Expenditures to Date	\$67	0,551.33
	Outside Contribution	\$	37,410
	Obligated/Encumbered	\$27	4,146.58
•	Unobligated	\$	0

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Agricultural Drainage Well Closure Assistance Fund

Agricultural drainage wells (ADWs) were developed in the early to mid 1900's and discharge cropland tile drainage water to underground aquifers. The fund was established in 1997 to protect drinking water aquifers by cost-sharing with landowners to close agricultural drainage wells and develop alternative drainage outlets to surface streams or install alternative management practices. Projects are typically constructed through drainage districts, although some projects are undertaken by individual landowners. Some of the remaining wells to be closed are located in karst areas with shallow limestone. Iowa State University recently finished a study to develop alternatives with ADWs in these areas that also benefit the environment.





- 296 registered agricultural drainage wells (ADWs) in Iowa
- 92 ADWs closed by landowners, Watershed Improvement Review Board funding, or determined by the Department of Natural Resources (DNR) to not be ADWs or to be non-functioning
- 129 ADWs closed to date using \$8.6 million of assistance funds
- 24 ADWs closures are in planning and design with obligated funds
- 51 ADWs remain in continued use with DNR permits with a total estimated closure cost of \$32,000,000.
- FY12 appropriation request = \$1,250,000

Fund Status:	FY11 Appropriation	\$ 1,250,000
	Balance 6/30/10 Brought Forward	\$ 4,580,649
	Interest to Date	9384
	Expenditures to Date	\$186,856
	Obligated/Encumbered	\$ 5,653,177
	Unobligated	\$ 0

For more information, contact:

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Iowa Conservation Cost Share Program

Iowa's Conservation Cost Share program was established in 1973 to protect the soil and water resources of the state from erosion and sediment damage. The program encourages the adoption

of farm management and agricultural practices that are consistent with the capability of the land to sustain agriculture while preserving the state's natural resources. Technical assistance is provided by IDALS-DSC and the USDA Natural Resources Conservation Service (NRCS), and practices are designed to NRCS technical standards. Applicants are required to enter into maintenance agreements to insure long-term success and performance. Funds are administered locally by Iowa's 100 Soil and Water Conservation Districts (SWCDs).









- Soil and water conservation practices:

 enhance soil quality and improve water infiltration
 reduce erosion, soil loss and runoff
 reduce water impairments from sediment and nutrients
 reduce storm water impact on private property and infrastructure
- From July 1 to December 31, 2009, IDALS-DSC processed landowner payments for 743 soil and water conservation practices.
- 14,443 acres were benefited with a soil loss reduction of 14,191 tons/year.
- Landowners invest 50-75% of their own money on these practices.
- The investment of cost-share funds and those of private landowners are reinvested in Iowa's local economies benefiting the communities.
- In October 2009, 73 SWCDs requested \$17,889,000 in supplemental funds with only \$2,516,000 available, leaving \$15,373,000 of unmet demand and lost opportunities to improve our soil and water resources.
- FY11 appropriation request = \$7,000,000

Fund Status:

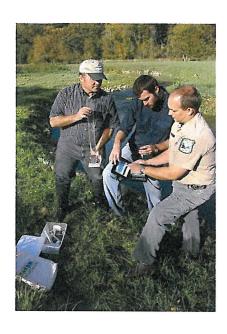
FY10 Appropriation \$ 7,000,000 Balance 6/30/09 Brought Forward \$ 6,559,216 Expenditures to Date \$ 3,116,672 Obligated/Encumbered \$10,442,544 Unobligated \$ 0

For further information, contact:

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Watershed Protection Fund

The Watershed Protection Fund was initiated in 2000 as part of the broader Iowa Water Quality Initiative. Watershed development funds are available to Soil and Water Conservation Districts (SWCDs) for that first important step of identifying problems in the watershed and creating a sound plan for improvement. Implementation of watershed protection projects brings together the community, both rural and urban, to target resources to reduce soil erosion, protect water quality, provide flood reduction, and protect natural resources. IDALS-DSC, the Iowa Department of Natural Resources (DNR) and the USDA Natural Resources Conservation Service work together in the support of these projects in order to achieve the maximum watershed improvements and water quality benefits with the state and federal program funds available to each agency.







- 48 watershed projects are underway in 54 SWCDs.
- State funds are cost-shared at rates up to 75% with applicants assuming 25% of the cost.
- 178 watershed project claims were reimbursed totaling \$1,117,697 and leveraging \$1,583,862 from other sources.
- 3,413 acres were protected with a soil loss reduction of 10,755 tons/year.
- Sediment delivery to the state's water bodies was reduced by 11,368 tons/year.
- Projects have leveraged state funds with approximately \$2,900,000 of DNR Section 319 federal program funds.
- FY12 appropriation request = \$1,800,000

Fund Status:

FY11 Appropriation \$ 1,500,000 Balance 6/30/10 Brought Forward \$ 3,624,719 Expenditures to Date \$ 1,280,073 Obligated/Encumbered \$ 3,844,646 Unobligated \$ 0

For more information, contact:

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District Initiatives/Buffer Initiative

The District Initiatives/Buffer Initiative (Conservation Reserve Program-CRP) was established in 2000 as a part of the Iowa Water Quality Initiative. Program initiatives are delivered through local Soil and Water Conservation Districts (SWCDs) in cooperation with the Natural Resources Conservation Service (NRCS) to leverage dollars for federal conservation programs, increasing Iowa's overall participation in both state and federal programs. Locally-led initiatives prioritize and target sensitive areas, by providing funds and resources to protect our soil and water resources.







- Iowa leads the nation in the USDA Continuous CRP with 547,909 acres enrolled.
- 118 acres were enrolled in Iowa buffers protecting Iowa's lakes, rivers and streams.
- 334 acres of trees were planted on CRP land to keep it in permanent cover.
- 734 acres of grazing were planned on CRP land in contracts expiring in 2010 & 2011, providing permanent cover rather than intensive cropping.
- SWCDs receive funds to provide technical assistance to enroll CRP and install Federal Environmental Quality Incentive Program (EQIP) practices.
- SWCDs work one-on-one with landowners and operators.
- Under the EQIP program, landowners have invested over \$6,400,000 along with over \$16,000,000 from federal funds.
- FY12 appropriation request = \$2,000,000

Fund Status:

FY11 Appropriation \$1,300,000 Balance 6/30/10 Brought Forward \$877,932 Expenditures to Date \$427,376 Obligated/Encumbered \$1,750,556 Unobligated \$0

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